

# MOBILE DISTRICT OPERATIONS DIVISION HYDROPOWER REORGANIZATION

Briefing for Southeastern Federal Power Alliance

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*"The views, opinions and findings contained in this report are those of the authors(s) and should not be construed as an official Department of the Army position, policy or decision, unless so designated by other official documentation."*



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# WHY RE-ORGANIZE HYDROPOWER?

## HYDROPOWER CUSTOMER PERSPECTIVE\*



- GA-AL-SC Rate: \$51.75/MWh
- Average Gas CT Energy: \$20- 30/MWh

SEPA Power is competing with the Energy Market - And is losing

### Customer Guidance

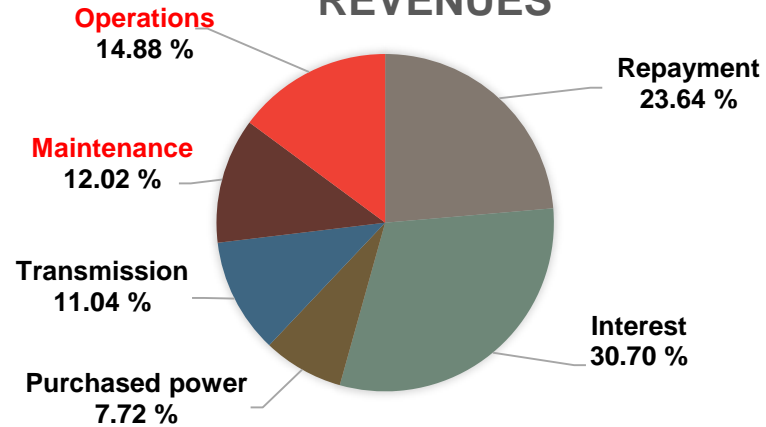
Take Action Now, we can't wait for gas prices to rise

1. Trim Costs where possible
2. Pay attention to details
3. Diligently seek to improve efficiencies
4. Maximize availability of peaking power
5. Be smart about capital investments
6. Reclassify expenses when appropriate

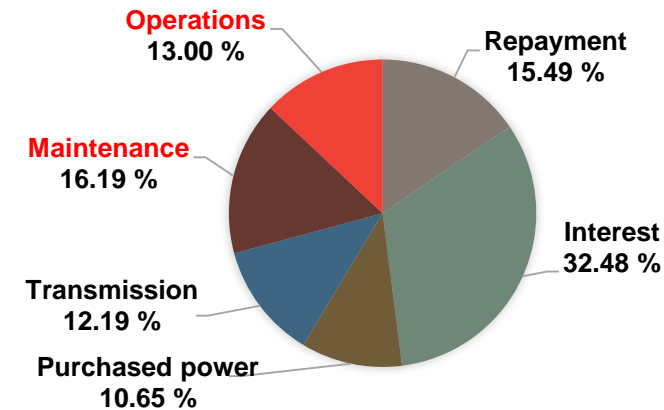
\*Roger Smith (SMEPA) Presentation to SE Power Alliance, 15 Sep 2016

# WHY SINGLE OUT O&M?

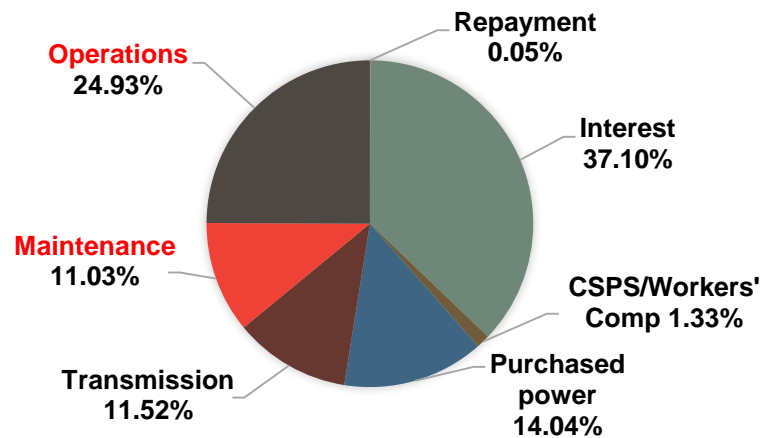
FY 2016 APPLICATION OF  
REVENUES\*



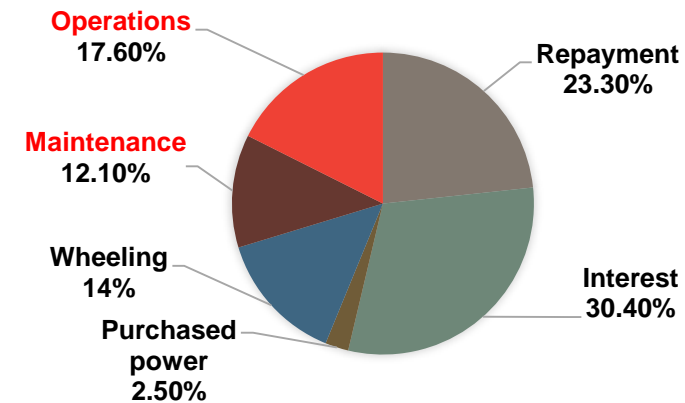
FY 2015 APPLICATION OF  
REVENUES\*



FY 2006 APPLICATION OF  
REVENUES



FY 1996 APPLICATION OF  
REVENUE



Approximately 30% of costs but the only costs USACE can impact

\*Source: SEPA Annual Reports

# SAD RESPONSE: LOWER COST OF ROUTINE O&M



**SAD:** Evaluate Plant Management structure with the goal of reducing cost

**Mobile District Response/Action:** Develop and Implement a plan to streamline plant management by placing all plants in a single Branch under the District Hydropower Business Line Manager

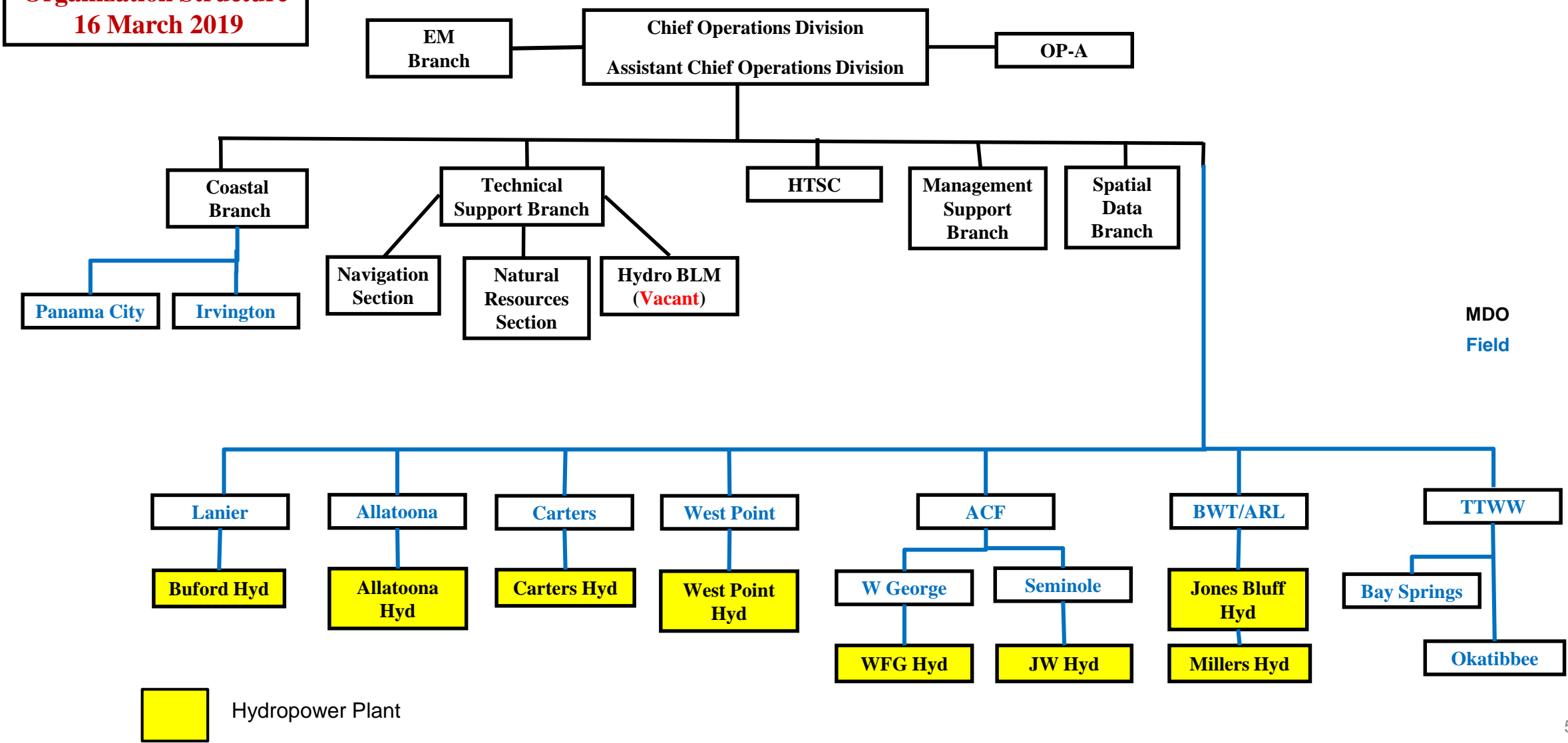
## **Expected Benefits:**


- Consistency in plant management and practices
- Greater flexibility in shifting resources to address higher priority/critical needs
- Reduce Admin and Management Charges to Hydropower BL
- More efficiency working with the Hydropower Technical Service Center

# MOBILE DISTRICT OPERATIONS DIVISION



Organization Structure  
16 March 2019

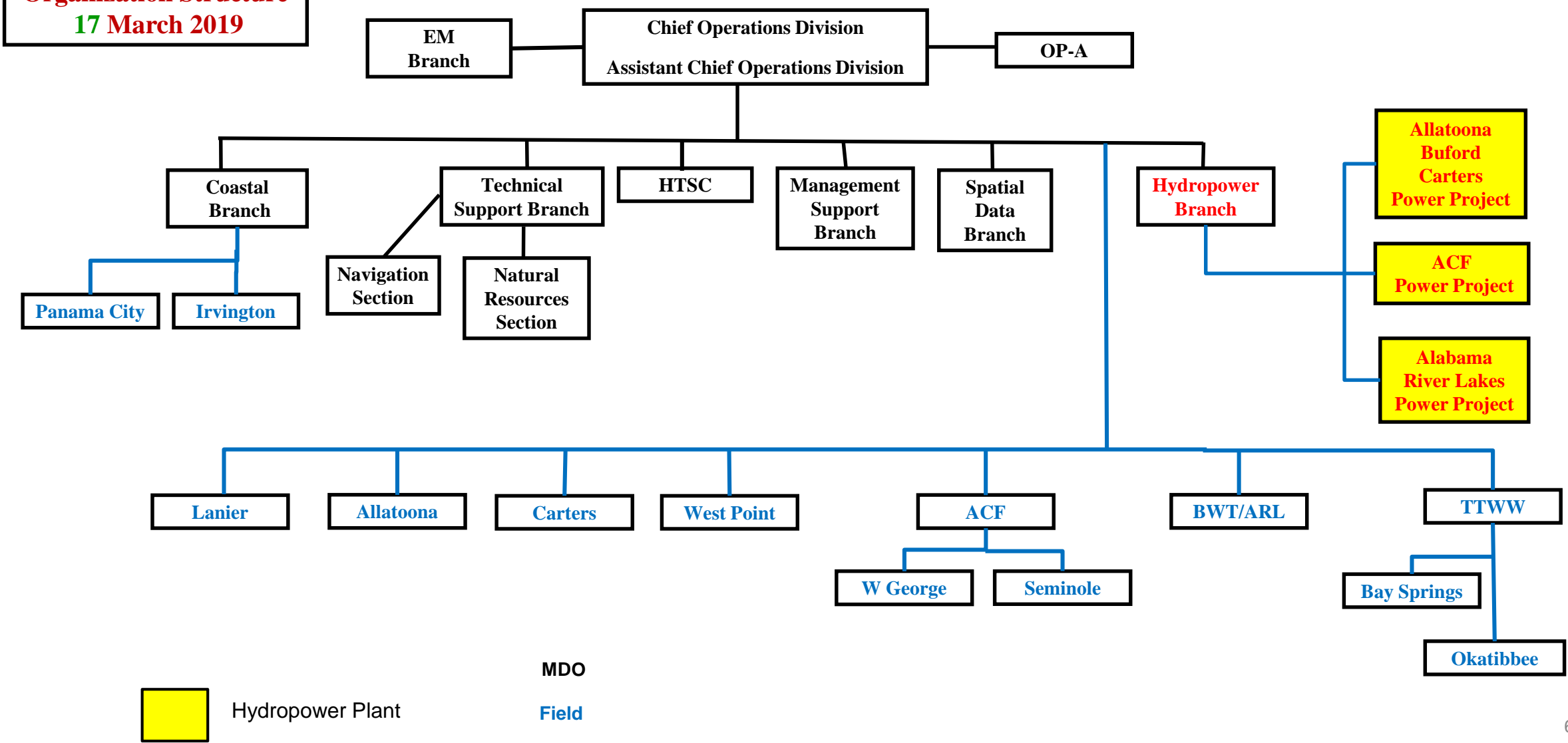


 Hydropower Plant

# MOBILE DISTRICT OPERATIONS DIVISION



**Organization Structure**  
**17 March 2019**

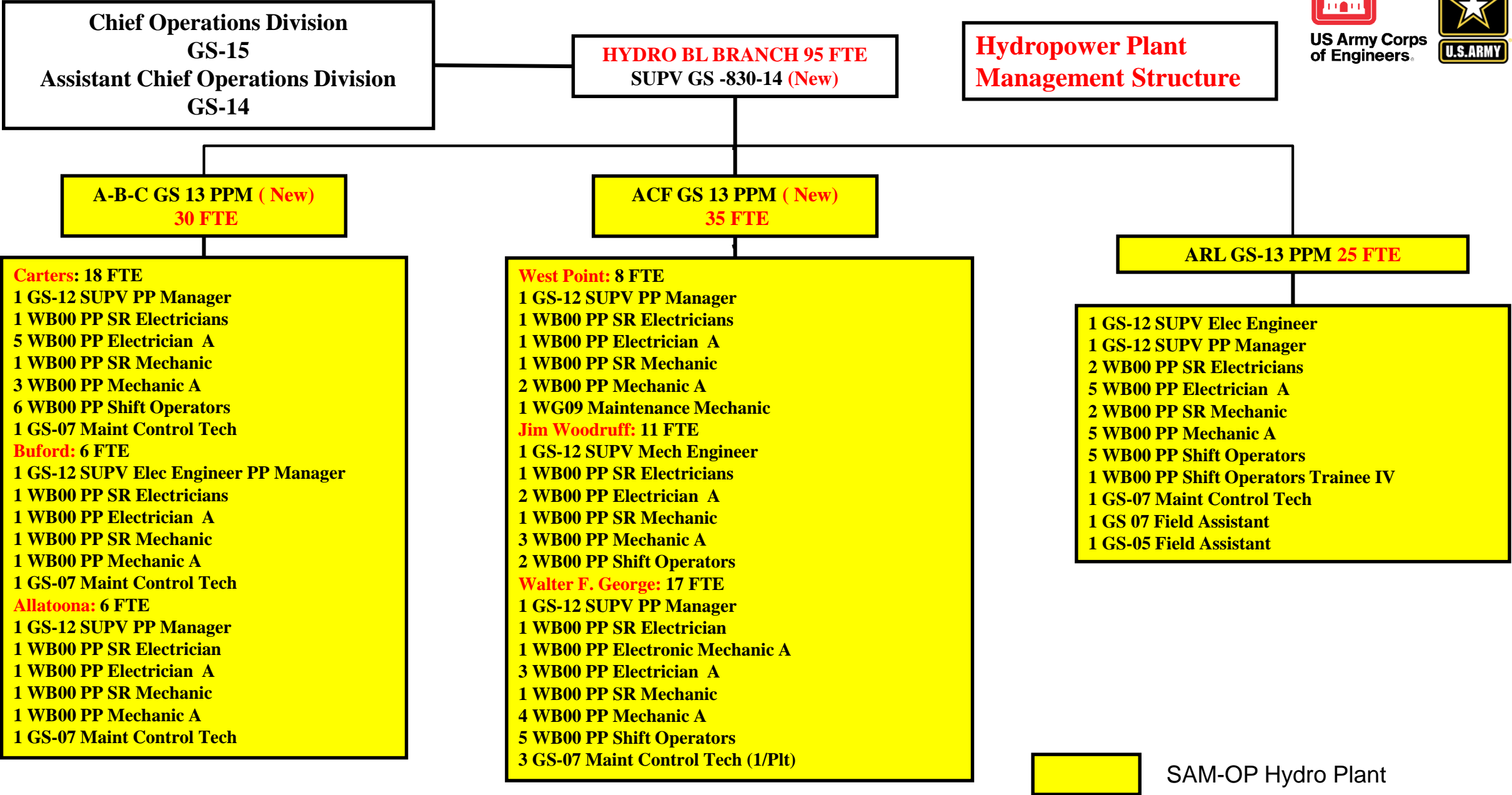




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# WHAT NOW?



Reorganizing Hydropower Plant Management is just the start of a long process. Many serious challenges remain,

## Short term:

- Impacts to NAV, REC and ENS organization(s)
- How to handle HYD funding (budgeted by Project, executed by Branch)
- Joint Costs
- Maintenance Management Program (Standardized Maintenance Practices)
- Division of existing admin support

## Long term

- Achieve Projected Cost Savings and Efficiencies
- Increase reliability
- Develop and Implement Low-Cost Hydropower Objective Organization



# MOBILE DISTRICT OPERATIONS DIVISION



**Organization Structure**  
**c.1994**

